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Industrialisation Strategy for Zimbabwe

by

Hon. S. H. Makoni, Minister,
Ministry of Industry and Energy Development,
Zimbabwe

It is a great pleasure for me to have this opportunity to share with you some of our thinking on the "Industrialisation Strategy For Zimbabwe". I trust that by now most of you have gained a general idea of the state of the Zimbabwean economy. And, either from your background reading prior to coming here or from observations since arriving, you must have got the impression that Zimbabwe has a fairly advanced economy.

Although it cannot be denied that the structure of the economy here is different from that in many developing countries, the following questions must be posed: Does this state of affairs amount to development? Or put differently, it must be asked whether for a poor "undeveloped" country, the transplantation of facilities, systems, life-styles and patterns of behaviour from New York, Amsterdam, or Frankfurt equates to development? The establishment of the Zimbabwe Institute of Development Studies is particularly timely because these questions must not only be posed, but answered quite adequately during this first year of national transformation. It is essential that our transformation be deliberate and purposeful. This can only be achieved in the context of a clear theoretical and ideological analysis of our present society and concomitantly as well as a clear conception and definition of the desired future society. The Zimbabwe Institute of Development Studies, together with other national institutions, provides the necessary machinery for the theoretical, ideological, technical and practical analysis of society and lay down the basis for the continuance of the revolution towards "liberation, socialism and development".

Relative to other developing countries, the manufacturing sector here is fairly developed and diverse. It comprises approximately 2 000 individual enterprises ranging from very small to large. However, compared to the developed countries, industry here falls in the general category of small to medium-scale, with more than half of the sector employing an average, 100 or less persons and the sector produces about 6 000 individual product lines. The sector is substantially controlled by foreign investors, with a considerable local private ownership and a small public involvement. The technology used can be fairly described as old and in some cases almost obsolete, and there is a high degree of labour-intensity.

In the national context, the sector occupies a very important role, contributing the greatest share to the Gross Domestic Product, and being the second largest earner of foreign currency, but regrettably the largest expender of it. During the years of illegality¹ the sector did achieve a high degree of import substitution, and in some cases, one is really amazed at the degree of technical ingenuity and inventiveness achieved. But, in spite of this (or rather, because of all these attributes and accolades) is Zimbabwean industry really developed; and is it responsive to the developmental needs of the people of Zimbabwe as a whole? Based on the racist colonial political economy, this sector, and indeed the rest of the economy, was established

1 Reference is made to the UDI years; 1965-1979 and the 'imposition' of economic sanctions over the past decade and a half.

The demand for the products of industry has grown so fast since Independence that it is inevitable that the sector must expand. But that expansion must not simply be intended to follow the lines of past developments. The strategy must, therefore, aim at redressing the imbalance of the past as well as lay down the basis for a more equitable and broader national involvement in the sector.

Government is obviously concerned at the high degree of foreign control of this sector, and this renders it imperative that speedy progress be made to achieve greater local control. But such greater local control must also result in the socialisation of the sector; for localisation resulting in purely nationalistic minority control is as bad as foreign control.

This, therefore, calls for the establishment of relevant institutional mechanisms for the achievement of such socialisation. The decision by Government to establish the Zimbabwe Development Corporation and its constituent sectoral bodies is important to this process of transformation from a capitalist colonial system to a socialist independent one. It must be recognised that for this process to succeed, we not only need relevant institutions but more importantly, people of the right ideological disposition. And in this context, Zimbabwe Institute of Development Studies will play a pivotal role; a crucible where the planners, managers and technicians to serve the new system must be moulded.

Government has fully recognised the present structure of the economy, and agrees that the process of transformation will not be achieved in a short time. Government also believes that in spite of the inherent contradictions between the present system, and the desired future system, there, however, need not be conflict and antagonism between itself and the people on the one hand, and the private sector on the other. Hence, Government has genuinely and honestly called for mutual understanding and co-operation between the two parties in order to achieve transformation for the benefit of all. Thus, Government has pronounced itself ready to participate in, and with, the private sector. It is, therefore, planned that in the course of time, vital and strategic areas of the manufacturing sector will become subject to greater public involvement.

The question has been posed, whether this policy of participation represents a deviation by Government from the ruling party's political and ideological positions or whether this is a sinister tactic against the capitalist system. Comrade Chairman, I know that there are better people than myself to discuss this issue. But, to the sceptics on both sides of the ideological divide, particularly those with interest in the manufacturing sector in this country, suffice it to say that we do not believe that it is a pre-requisite for socialist transformation to destroy what capitalism has built. It is, however, imperative to restructure and redirect what capitalism built in a manner conducive to socialist development. And, I am sure that the developed socialist systems of today bear testimony to this strategy.

For this country, and I believe for many others like it, it is important that industrialisation must take place in the context of national development rather than in pursuit of profits. But,

of course, enterprises must be viable. Thus, Government policy will seek to achieve the following:

- Decentralisation of industry by geographical location and by sectoral or product-line spread;
- Greater utilisation of local raw materials leading to greater import substitution;
- Greater promotion of labour utilisation without forfeiting the benefits of technological advances nor risking efficiency;
- Promotion of the development and greater application of appropriate technologies;
- Increasing export capacity and competitiveness.

In order to achieve these objectives, it is imperative that infrastructural and other supportive facilities be provided. Besides, in the vital and strategic areas, the State, alone or in partnership with others, will take the lead. However, in the small and medium-scale operations, encouragement and support will be given to co-operative ventures.

The point cannot be over-emphasised, that to achieve any change, there must be available cadres adequately endowed with the necessary political and ideological commitment and orientation; cadres that not only have a clear vision of the future, but also sufficient and proper understanding of the past and present. Comrade Chairman, I believe that ZIDS has a vital contribution to make in the development of such cadres in Zimbabwe. I am also sure that sister institutions to Zimbabwe Institute of Development Studies will render their valuable experiences to ZIDS.



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